

During the City Council's July 19, 2010, study session, several questions were asked by citizens and Councilmembers during the discussion of proposed Resolution No. 307, which would place a maintenance and operations levy on the November 2, 2010, general election ballot. Linked here are answers to those questions.

Mr. Arthur Peach

1. What have been the annual Cost of Living Adjustments for City Employees?

*Response: The following chart has the COLA increases that were given to City employees for years 2000 through 2010. As in 2010 there will not be a COLA for City employees in 2011. The annual average for years 2000 through 2010 is 2.48%. Inflation averaged 2.9% annually during the same time period.*

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.03%	3.40%	3.51%	1.40%	1.53%	2.00%	2.28%	3.78%	3.15%	5.22%	0.00%

2. What has been the increase in health care insurance costs for the City?

*Response: The following table provides the total City expenditure for health insurance benefits and the % change for 2004 through 2010.*

	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Budget 2010
Expenditure \$	1,207,169	1,272,754	1,374,016	1,475,276	1,600,291	1,642,857	1,729,595
Annual Change %		5.4%	8.0%	7.4%	8.5%	2.7%	5.3%

3. Will the levy provide funding for Kruckeberg Gardens, Senior Center, Animal Control, YMCA?

*Response: The long-term projections include our annual base level of funding for the Senior Center (\$77,700), but they do not include an additional \$18,000 a year that the City Council voted to fund for 2009 and 2010 with one-time dollars. This was not intended to be an on-going allocation, but the Senior Center made a request of \$130,398 in funding for 2011 from the City. Kruckeberg Garden was intended to be self-supporting by 2011, but this will not be the case. It is likely that the City will need to continue to allocate approximately \$40,000 annually over the next few years to support the operations of the garden – this will have to be funded out of the City's operating budget. The City has signed an agreement with King County for animal control. This had not happened the last time we did an update to our long-term projections so those costs (estimated at \$58,400/annually) were not included in the forecast. The City will need to pay for this service, so it will be added to the budget and either will be funded through funds from the levy or reductions to other programs. In 2008 the City agreed to a contract with the YMCA to provide some community-wide programs at \$40,000 annually for two years. This was to be one-time funding and programming – not ongoing.*

*Of even greater concern is the possibility of one or two initiative appearing on the November ballot related to the privatization of liquor sales. Currently the City receives approximately \$450,000 annually in liquor board profits and \$270,000 annually in liquor excise taxes. Both initiatives would eliminate the liquor board profits – eliminating the \$450,000 we receive annually. One of the initiatives also eliminates the excise tax. The City's long-term projections assumed that these revenues would continue to be available to fund City services.*

4. Do the long-term projections provide for contributions to the Rainy Day Fund?

*Response: The long-term projections do not include repaying the Rainy Day Fund for monies that we anticipate using in 2010 (\$995,000). If those funds are used it will leave approximately \$5.1 million in the fund. To repay monies used we will need to have the discipline in future years to allocate one-time savings or one-time revenues for this purpose.*

*The long-term projections do include any annual allocations that would be required to comply with the City's Rainy Day Fund policies – other than the repayment of funds that are anticipated to be used in 2010.*

5. Will the levy provide funding for a new pool or police station?

*Response: The levy will help maintain operating services – not capital improvements, so the levy does not provide funding for a new pool or police station. Both of those projects have been identified as capital improvements that need to be addressed in the future, but at this time there is not an identified funding source for either one.*

Councilmember Roberts

1. What is the City's Revenue Stabilization Fund Policy?

*Response: The City will establish a Revenue Stabilization Fund and shall accumulate a reserve equal to thirty percent (30%) of annual economically sensitive revenues within the City's operating budget to cover revenue shortfalls resulting from unexpected economic changes or recessionary periods.*

*All expenditures drawn from reserve accounts shall require prior Council approval unless previously authorized by the City Council for expenditure within the City's annual budget.*

*If reserves and/or fund balances fall below required levels as set by this policy, the City shall include within its annual budget a plan to restore reserves and/or fund balance to the required levels.*

Councilmember Scott

1. What tax increases have voters approved in recent years?

*Response: The following table contains measures passed in the last few years by voters that have increased taxes paid by Shoreline property owners:*

<i><b>When</b></i>	<i><b>Agency</b></i>	<i><b>Description</b></i>	<i><b>Impact</b></i>	<i><b>Passage Rate</b></i>
<i>February 2010</i>	<i>King County Library District</i>	<i>Restore property tax rate to \$1.50/\$1,000 AV</i>	<i>Average home owner impact of \$32/yr</i>	<i>52% Yes</i>
<i>February 2010</i>	<i>Shoreline School District</i>	<i>Maintenance &amp; Operations Levy Renewal. \$2.48/\$1,000 AV</i>	<i>Continue existing levy</i>	<i>70% Yes</i>
<i>February 2010</i>	<i>Shoreline School</i>	<i>Technology Levy Renewal. \$0.35/\$1,000 AV</i>	<i>Continue existing levy</i>	<i>66% Yes</i>

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	<i>District</i>			
<i>February 2010</i>	<i>Shoreline School District</i>	<i>Capital Bond (\$150 million) for modernization/replacement of 2 high schools (Estimate of \$2.42/\$1,000 AV)</i>	<i>Previous bonds paid off so no additional impact</i>	<i>62% Yes</i>
<i>November 2008</i>	<i>Sound Transit</i>	<i>Expansion of mass transit. Increased the sales tax rate by 0.5%.</i>	<i>\$69 per adult/annually</i>	<i>King County Yes – 61%</i>
<i>August 2008</i>	<i>Shoreline Fire District</i>	<i>Restore property tax rate to \$1.50/\$1,000 AV and authorize 6% annual levy increases for 2009-2014</i>	<i>First year - \$75 for average home</i>	<i>69% Yes</i>
<i>May 2006</i>	<i>City of Shoreline</i>	<i>Capital Bonds (\$18.8 Million) for Park and Open Space</i>	<i>\$84 for average home</i>	<i>70% Yes</i>

#### Councilmember Hall

1. How does Shoreline compare to other King County cities on new construction dollars and its related percentage of property tax revenue increase over the last few years?

*Response: The following chart shows new construction related property tax revenue as a percent of the City's total property tax levy for each year from 2006 through 2009. Shoreline ranks below the average in all 4 years.*

	<b>2006 % of Levy</b>	<b>2007 % of Levy</b>	<b>2008 % of Levy</b>	<b>2009 % of Levy</b>
Auburn	1.98%	4.04%	1.53%	0.70%
Bellevue	2.01%	3.45%	3.85%	2.08%
Bothell	0.73%	5.99%	1.53%	4.65%
Burien	0.81%	1.33%	1.16%	1.16%
Des Moines	0.85%	1.13%	1.36%	0.43%
Federal Way	2.23%	2.06%	1.16%	0.45%
Issaquah	7.77%	5.52%	4.08%	0.99%
Kenmore	2.20%	2.95%	2.97%	0.86%
Kent	3.33%	0.24%	1.74%	0.77%
Kirkland	3.49%	3.39%	1.69%	0.78%
Lake Forest Park	0.57%	0.89%	0.41%	0.24%
Newcastle	7.06%	3.72%	3.14%	0.50%
Redmond	2.16%	1.69%	2.60%	5.90%

	2006 % of Levy	2007 % of Levy	2008 % of Levy	2009 % of Levy
Renton	3.41%	3.25%	4.30%	1.12%
Sammamish	1.97%	1.80%	1.27%	0.38%
SeaTac	5.16%	4.95%	0.74%	0.78%
Seattle	1.49%	2.22%	2.13%	1.25%
Shoreline	1.09%	1.35%	0.98%	0.56%
Tukwila	0.81%	1.42%	6.20%	6.17%
Woodinville	2.73%	1.71%	2.28%	0.73%
<b>Average</b>	<b>2.59%</b>	<b>2.66%</b>	<b>2.26%</b>	<b>1.53%</b>